



State Board of Equalization

# News Release

**Chairman Jerome E. Horton**

**4<sup>th</sup> District – Los Angeles**

Cynthia Bridges  
Executive Director  
[www.boe.ca.gov](http://www.boe.ca.gov)

**For Immediate Release**  
**April 18, 2014**

**Contact:** NR 55-14-H  
**Jaime Garza**  
**1-916-327-8988**

## **Chairman Horton Seeks to Implement \$600 Million in Annual Tax Savings** **Chairman and Members of the Board of Equalization Consider Next Steps**

**Sacramento** – California State Board of Equalization (BOE) Chairman Jerome E. Horton announces regulations to provide guidance on more than \$600 million in annual tax savings for manufacturing and research and development will be up for consideration at its meeting in Sacramento on April 22, 2014. The regulations clarify which businesses, and what types of purchases and uses of manufacturing and research and development equipment, qualify under the law that enacted a 4.1875 percent partial sales and use tax exemption.

The sales and use tax exemption, which takes effect July 1, 2014 and expires July 1, 2022, represents the largest component of the Governor's Economic Development Initiative. The [BOE estimates](#) that California businesses could benefit from more than \$600 million in tax savings each fiscal year. The Board will vote on whether to authorize publication of proposed Regulation 1525.4.

"This tax exemption and the other pieces of this job-creating economic development initiative are a responsible way to stimulate our economy. My goal is to ensure that every California taxpayer in a position to take advantage of these tax incentives does so. I will continue educating taxpayers at small business seminars in the fourth district, my website, and other forums so that those who qualify receive the maximum benefits," said Chairman Horton.

The BOE has met with and received input from stakeholders throughout California. This collaborative process has resulted in BOE staff's proposed regulation, as well as alternate language provided by various stakeholders for specific sections of the regulation. The Board will decide whether to publish the staff's recommendation as presented or to include some or all of the alternative language. Businesses will also have the opportunity to submit comments on the published proposal, and to weigh in during a public hearing to be held later in the year.

In addition, the Board will consider adopting amendments for two existing regulations. One clarifies that Lemon Law protections which apply to purchases of defective vehicles also apply to leases. The other amendment specifies that certain businesses may be entitled to relief of tax liabilities if they relied on advice given to a related business in the course of a BOE audit of the related business.

**Connect with Us:**



\* \* \* \* \*

Elected in 2010, Chairman Jerome E. Horton is the Fourth District Member of the California State Board of Equalization, representing more than 8.5 million residents in Los Angeles County. He is also the Board of Equalization's Legislative Committee Chairman. He is the first to serve on the Board of Equalization with over 21 years of experience at the BOE. Horton previously served as an Assembly Member of the California State Assembly from 2000-2006.

The five-member California State Board of Equalization is a publicly elected tax board. The Board of Equalization collects \$56 billion annually in taxes and fees supporting state and local government services. It hears business tax appeals, acts as the appellate body for franchise and personal income tax appeals, and serves a significant role in the assessment and administration of property taxes. For more information on other taxes and fees in California, visit [www.taxes.ca.gov](http://www.taxes.ca.gov).

###

**Connect with Us:**

